

# **FROM SETTLED PATHS TO CHINESE WHISPERS: INSTITUTIONS, INSTABILITY, AND EU DEFENCE POLICY**

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## **Abstract**

Institutionalist theories of politics emphasise the role institutions play in inducing stability. The Institutionalist lexicon is replete with terms such as ‘path dependence’ and ‘lock-in,’ intended to convey resistance to change. Insofar as institutionalists do address change, they do so in terms of sporadic moments of dramatic change brought about by factors exogenous to their theoretical framework. The paper challenges such claims, on the basis of a study of the development of the European Union’s security policies. It proposes an Institutionalist approach to explaining institutional change arguing that under certain conditions, institutional change can be both continuous and highly significant. Consequently, the metaphor of ‘Chinese whispers’ better captures the nature of repeated, incremental and often off path institutional development than that of path dependence.

## Introduction

Those interested in the study of international security institutions confront something of a dilemma. On the one hand, realist claims regarding the epiphenomenal nature of institutions and lack of independent causal effect. Even those theoretical approaches that take institutions seriously seem of only limited utility. Institutionalism has focussed on continuity. Argument being that institutional structures induce stability. A whole Institutional lexicon of terms ranging from path dependence, to increasing returns, to lock in, testifies to the emphasis placed on stability at the expense of change.

However, the last two decades have been a period of almost continuous instability for European security institutions. Rapid change has perhaps been most visible in the remarkable transformation of the European Union. A civilian power when the Berlin Wall fell, the EU has developed into an international organisation unique amongst such organisations in its possession of virtually all the instruments of security policy, including a nascent defence capability.

The purpose of what follows is to attempt to provide an alternative conceptualisation of the nature and implications of institutions and institutional change, based on a detailed empirical examination of the development of what has come to be called the European Security and Defence Policy (ESDP).<sup>1</sup> The paper argues that Institutional approaches to institutional change are based on several questionable assumptions. When these are relaxed, a different picture emerges, in that relatively common small-scale institutional change can cumulatively produce profound, off-path and highly unpredictable change.

The paper is divided into four parts. The first illustrates the way in which Institutional accounts are biased in favour of institutional stability. A second provides the outlines of an Institutional explanation of institutional change which challenges prevailing notions of path dependence. Section three briefly surveys the development of ESDP, whilst section four illustrates how the contestation of institutions, friction between them, and

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<sup>1</sup> For useful surveys of this, see Howorth 2007, Jones 2007, Menon, 2009,

institutional adaptability conspire generate a continual process of unpredictable and significant institutional change.

### **Institutionalism and Institutional Change**

Institutionalism is perhaps the dominant approach in the contemporary study of politics.<sup>2</sup> Developed out of a perceived need for an intellectual alternative to the individualistic, instrumental approaches to social science that predominated after WW2, it is rooted in an acceptance of 'higher order' influences upon individual action,<sup>3</sup> privileging structure over agency. Perhaps unsurprisingly given its genesis in opposition to approaches emphasising individual freedom of choice and action the key insight provided by much Institutional scholarship is that such higher order influences tend to promote stability.<sup>4</sup> As one prominent proponent puts it, established 'institutions generate powerful inducements that reinforce their own stability and further development'.<sup>5</sup>

A common theme within this 'iconography of order' (**Orren and Skowronek 1994 page?**) is the notion of increasing returns, (sometimes referred to as self-reinforcing or positive feedback processes).<sup>6</sup> Douglass North has argued that insights generated by studies of increasing returns in the development of technology can be equally well applied to institutions,<sup>7</sup> and indeed several scholars deploy such analogies in their discussions of institutions: John Ikenberry draws on the case of the triumph of VHS videocassettes and Microsoft software to reinforce his arguments about increasing returns processes western security institutions,<sup>8</sup> while Paul Pierson discusses the 'polya urn' process to illustrate the self-reinforcing nature of certain historical processes.<sup>9</sup>

The core insight of such studies is that increasing returns create *path dependence*, or situations in which preceding steps in a particular direction induce further movement in the same direction, with each move down the path increasing the probability of further

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<sup>2</sup> For useful surveys, see Hall and Taylor, 1996, , Peters 1999, Thelen, 1999, .

<sup>3</sup> Clemens and Cook, 1999, ,

<sup>4</sup> Lieberman, 2002,

<sup>5</sup> Pierson, 2000, 255

<sup>6</sup> Krasner, 1988, , Pierson, .

<sup>7</sup> North 1990, 95.

<sup>8</sup> Ikenberry, 1998-9, 72, 74

<sup>9</sup> Pierson, 253

similar steps.<sup>10</sup> John Ikenberry applies such insights to international security institutions, emphasising institutional ‘stickiness,’ whereby ‘the core institutions of western order have sunk their roots ever more deeply into the political and economic structures of the states that participate within the order’.<sup>11</sup> Not only do participants develop a vested interest in maintaining existing institutional arrangements, but alternative institutional structures suffer because learning effects and large start up costs combine to provide advantage for existing structures; path dependent institutional processes result.<sup>12</sup>

Several other factors, moreover, can conspire to reinforce institutional stability. Proponents of path dependence have argued that the presence of ‘complementary configurations of organizations and institutions’<sup>13</sup> serves to reinforce stability as the ‘interdependent web of an institutional matrix produces massive increasing returns’.<sup>14</sup> They present a view of internally coherent political ‘orders’ in which ‘the effects of the component parts are cumulative and mutually reinforcing, that they generally point most actors in the same (or at least complementary) directions most of the time’.<sup>15</sup>

Second, institutionalists claim that processes of ‘lock in,’ by which societal groups adapt their strategies as a function of the prevailing configuration of institutions, tend to depoliticise issues. By ensuring the triumph of one path over the alternatives, they remove conflict over alternative choices.<sup>16</sup>

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<sup>10</sup> Pierson, 2000a. Pierson points out the ‘fuzziness’ that has characterised the use of the notion of path dependence. He distinguishes between two common uses of the term: a broader sense, which implies simply that the early stages of a temporal sequence exert a causal effect on later developments and makes no claims regarding the difficulty involved in exiting a particular path, and a narrow conception which focuses on the role of increasing returns in making a particular trajectory difficult to change. Exponents of the ‘increasing returns’ explanation of institutional stability tend to deploy the latter, more narrow, definition. Pierson Ibid.252

<sup>11</sup> Ikenberry, 46

<sup>12</sup> Ibid.71-2

<sup>13</sup> Pierson, 255

<sup>14</sup> North, 95.. Intuitively, there is a potential tension between this tidy view of multiple complementary organisations and the far messier view that institutionalists conjures up arguing in favour of institutional effects and against functional approaches to institutions. In the latter narrative, social complexity and increasing interdependence between actors, organizations and institutions lead to problems of overload, unanticipated consequences, feedback loops and complex interaction effects Pierson, 2000, 483.

<sup>15</sup> Lieberman, 702. Others, in contrast argue that the issue of multiple regimes does not promote institutional change either because there is no clear exit option unavailable in politics Pierson, 259 **more on this**, or because competition between institutions less likely than in economics because political institutions ‘rarely confront a dense environment of competing institutions that will instantly capitalise on inefficient performance, swooping in to carry off an institution’s “customers” and drive it into bankruptcy.’ Pierson, 261

<sup>16</sup> Pierson, 493

Also central to many accounts of institutional stability is the assumption that institutional change involves high costs. Formal institutional change is considered as the most costly form of such change because of high contracting costs and uncertainty over outcomes.<sup>17</sup> Moreover, inherent in many approaches to institutional stability is the assumption that decision rules make institutions still more change resistant. Not least this is so because decision makers in politics want to prevent their successors from reversing what they have done and so may create institutions even they cannot control.<sup>18</sup> Focus on formal decision rules spawned interest in veto players. Pierson argues that extremely high barriers to reform in EU a deliberate ploy by designers to ensure large obstacles to institutional change.<sup>19</sup> (Security same is true for different reasons. Sovereignty concerns and desire to maintain control leads to consensus rules).

Finally, central to Pierson's argument about path dependence are claims regarding aspects of politics that differentiate it from, and make it more prone to increasing returns processes than, economics. Crucial here is the 'complexity and opacity of politics,' politics is 'murkier' than economics, with actors pursuing a variety of goals characterised by 'loose and diffuse links between actions and outcomes,' as a result of which it is extremely difficult to measure political performance.<sup>20</sup> All of which further reinforces the potential for increasing returns processes, inhibiting learning and competition, which are key drivers of institutional change in the economic sphere.<sup>21</sup> Others have argued this is may be particularly true of foreign policies, where success and failure are inherently complex and ambiguous concepts.<sup>22</sup>

Many Institutionalist scholars thus emphasise the change resistant nature of institutional structures, often equating institutions with stability or durability.<sup>23</sup> Not only is the Institutionalist lexicon replete with concepts denoting the persistence of institutional patterns – path dependence, lock in, sequencing, increasing returns amongst others – but stability is often assumed in the definitions of key terms.<sup>24</sup> Thus Duffield stipulates that

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<sup>17</sup> Lindner, 2003, 915

<sup>18</sup> Moe 1995, 124.

<sup>19</sup> Pierson, 262

<sup>20</sup> Ibid.260

<sup>21</sup> Ibid.

<sup>22</sup> Baldwin, 2000,

<sup>23</sup> Clemens and Cook, 442

<sup>24</sup> For a useful survey of attempts by institutionalists to conceive of and explain institutional change, see Ibid...

international institutions are best characterised as ‘relatively stable’, defined as implying ‘persistence, durability and resilience in the face of changing circumstances.’<sup>25</sup> Consequently, stable institutional politics ‘appears as “normal”, as politics as usual, explicitly or implicitly opposed to extraordinary politics, in which equilibria are upset, norms break down, and new institutions are generated’ (Orren and Skowronek, 1994, 316).

Related to an emphasis on stability is a failure clearly or convincingly to conceptualise the nature of ‘change’ itself.<sup>26</sup> Proponents of the notion of path dependence frequently either define institutional paths so broadly as to effectively define away the prospect of change,<sup>27</sup> or, by focussing only on dramatic shifts, effectively define incremental adjustments out of existence.<sup>28</sup> ‘Off path’ change thus becomes exceptionally difficult, not least because institutional entrepreneurs face incentives to disguise any change they manage to bring about, or at least to cloak it in the familiar.<sup>29</sup>

When institutionalists do attempt to account for change, they do so in terms of dramatic turning points, often brought about by exogenous shocks, captured in terms such as ‘critical junctures’ or ‘punctuated equilibria,’ implying sharp breaks from the prevailing path.<sup>30</sup> The implication here is that the analytical tools used to analyse ‘normal’ politics of institutional stability cannot usefully be deployed to explain change, the drivers of which are generally conceptualised as some kind of *deus ex machina*,<sup>31</sup> explicable only exogenously of the institutions in question, and hence impossible to predict.<sup>32</sup> Junctures, moreover, are infrequent, giving way almost immediately to further long periods of stability: ‘once a moment of institutional selection comes and goes, the cost of large-scale institutional change rises dramatically – even if potential institutions, when compared with existing ones, are more efficient and desirable’.<sup>33</sup>

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<sup>25</sup> Duffield, 2007, 8

<sup>26</sup> For an excellent discussion, see Peters, Pierre, and King, 2005, 1287

<sup>27</sup> Lindner, 916.

<sup>28</sup> Peters, Pierre, and King, 1277

<sup>29</sup> Clemens and Cook, 459

<sup>30</sup> Peters, Pierre, and King, 1289

<sup>31</sup> Clemens and Cook, 447

<sup>32</sup> Peters, Pierre, and King, 1289

<sup>33</sup> Ikenberry, 73, Krasner, 1984, . For an excellent discussion of the notion of critical junctures and suggestions as to how to refine and elucidate the notion further, see Capoccia and Kelemen Capoccia and Kelemen, 2007, .

## AN INSTITUTIONALIST EXPLANATION OF INSTITUTIONAL CHANGE

One paradoxical consequence of the Institutional conception of change occurring via major shifts from the status quo is to deny institutionalism any analytical purchase in explaining such change.<sup>34</sup> Yet an approach to institutions that treats institutional change as exogenous to the theory itself is clearly unsatisfactory in that institutions ‘explain everything until they explain nothing’ (Thelen & Steinmo 1992:15).<sup>35</sup>

Yet a closer analysis of some of the core claims of the institutional literature reveals a tendency to exaggerate the potential for stability. Not least, certain key assumptions of dubious validity are revealed as central to any account stressing persistence over change. Conflict within, friction between and the adaptability of institutions make change far more likely than most Institutional accounts imply. If, in addition, a more inclusive notion of change is adopted, allowing for both small-scale, incremental change as well as the dramatic shifts that are the exclusive focus of much of the Institutional literature, a different pattern emerges of profound instability and almost perpetual incremental change that is difficult to control and potentially hugely significant. The metaphor of Chinese whispers perhaps better characterises such institutionalised processes than that of path dependence. **(need more of an explanation of this)**

### Contestation

Central to many accounts of path dependence, as we have seen, is the notion that institutional persistence implies consensus around the particular institution.<sup>36</sup> Such claims are frequently based on analogical reasoning, with insights from the study of emerging technologies applied to the world of political institutions. Yet just as Paul Pierson argues that politics differs from economics (in such a way, he claims, as to make increasing returns processes more prevalent in the former than the latter) so, too, must the

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<sup>34</sup> Peters, Pierre, and King, 1282 For game theoretical perspective, see Greif and Laitin Greif and Laitin, 2004,

<sup>35</sup> **independent variables during periods of stability, institutions are transformed into dependent variables at moments of change.**

<sup>36</sup> Peters, Pierre, and King,



differences between politics and the history of technology make us wary of any attempt to import lessons from one to the other.

Three core claims can be derived from the literature on emerging technologies. First, when a new technology is adopted, rivals tend to disappear. Second, consequently, as alternatives disappear, consensus becomes the norm during settled periods of path dependence. Finally, inherent in many such accounts is an assumption that structure tends to dominate over agency. Each is of at best debatable applicability to the world of politics.

Many approaches to institutions tend understate the importance of conflict and the workings of power within apparently settled institutional structures,<sup>37</sup> implying instead that conflict is a feature merely of critical junctures. Yet those who lose political struggles over the nature of an institution do not disappear in the way that betamax videos did. Moreover, as Kathleen Thelen puts it, their ‘adaptation can mean something very different from embracing and reproducing the institution....adapting may mean biding their time until conditions shift, or it may mean working within the existing framework in pursuit of goals different from – even subversive to – those of the institution’s designers’.<sup>38</sup>

Conflict, therefore, can as much a feature of path dependent periods as of ‘critical junctures’.<sup>39</sup> Crucial here is the role of agency in accounting for both change and stability. Many Institutionalist accounts are willing to consider a role for agency only at moments of far-reaching change. Thus, ‘critical junctures are moments of relative structural indeterminism when wilful actors shape outcomes in a more voluntaristic fashion than normal circumstances permit...these choices demonstrate the power of agency by revealing how long-term development patterns can hinge on distant actor decisions of the past.’<sup>40</sup>

Again, such claims are related to the origins of studies of path dependence in economics. Economists emphasise role of chance in shaping the initial direction of path taken by a

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<sup>37</sup> Capoccia and Kelemen, 353-4, Thelen, 384-87

<sup>38</sup> Thelen, 385-86

<sup>39</sup> Peters, Pierre, and King, 1278

<sup>40</sup> Mahoney 2002, 7.

new technology. Pierson uses an analogy with Polya urn process. In this, a ball is chosen at random from two balls of different colours. This is then replaced, along with another of same colour. The point here is that random events early in any 'path' exert a huge influence and shape later choices. In politics, however, 'paths' tend to result from deliberate choices on the part of political actors.<sup>41</sup> Both institutional stability and institutional change involve such conscious decisions, and the wielding of political power.<sup>42</sup>

Assuming the persistence of conflict over institutional outcomes changes the picture in important ways. Institutional creators confront two challenges: a collective search for an optimal solution to the problem at hand and a need to satisfy the distributive demands of all participants.<sup>43</sup> If the stakes are high and the evidence of potential benefits from cooperative action clear, there may be not initial large investment in dividing the distributive benefits of an institution amongst participants.<sup>44</sup> Rather, their focus will be on their collective endeavour, leaving plenty of scope for subsequent conflict and renegotiation.<sup>45</sup> When conflict over distributional outcomes occurs, this can lead to actors dissatisfied by the outcomes produced by the institutional rules challenging their application or failing to comply with them. Thus, the seeds of contestation and future change may be sown from the moment of institutional creation.<sup>46</sup>

## Friction

Institutionalists further claim, as we have seen, that the presence of multiple institutions will enhance stability because these tend to be mutually reinforcing, 'synchronized in their operations or synthetic in their effects' (Orren and Skowronek 1994: 321). There is a growing literature dealing with the implications of the proliferation of often competing

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<sup>41</sup> Capoccia and Kelemen, 353-4

<sup>42</sup> (Kelemen and Capochia, 353-4 on driving on the left and right)

<sup>43</sup> Lindner and Rittberger, 2003,

<sup>44</sup> **Conflict over creation leading to vague agreements and consequently easy for the rules to be challenged or bent by those dissatisfied with the outcomes?**

<sup>45</sup> **Ibid.**

<sup>46</sup> Thelen also makes point that mechanisms of reproduction sustaining institutions provide clues as to how change might come about (397-399), "[k]nowing how institutions were constructed provides insights into how they might come apart (p. 400)

or overlapping international organisations,<sup>47</sup> and the resultant ‘regime complexes’, or arrays of ‘partially overlapping and non-hierarchical institutions governing a particular issue area.’<sup>48</sup> Building on the assumption that the creation of institutions does not necessarily put an end conflict about their nature and purpose, the existence of such regime complexes provides opportunities for ‘losers.’

A world of multiple institutions is not necessarily the neat and well-structured place that Institutionalist analyses imply. New institutions are not designed on a ‘blank slate,’ in that political arrangements do not tend to sweep away ‘the detritus of a previous order to construct a new one.’<sup>49</sup> (Thelen makes point on blank slate, pp. 384-5; so do Victor and Raustiala, p. 296). Nor do their designers always manage clearly to demarcate clear boundaries between institutions, thereby increasing the potential conflict between them.<sup>50</sup> Indeed, because ‘political actors extract causal designations from the world around them and these cause-and-effect understandings inform their approaches to new problems,’ the presence of multiple institutions increases the chances of ‘institutional isomorphism’, whereby new institutions emerge ‘resembling, and similar in logic to’ existing ones.<sup>51</sup>

Multiple institutions, created at different times and for often overlapping purposes thus, ‘juxtapose different logics of political order, each with their own temporal underpinnings,’ (Orren and Skowronek, 1994: 320), and ‘politics is structured by persistent incongruities and frictions among institutional orderings’.<sup>52</sup> The clash between organisational rules and cultures can lead to ongoing instability, with different institutions, created at different times and for different purposes, rubbing up against each other, causing friction and consequent adaptation. They ‘collide and chafe,’ and it is ‘in the friction between orders that we may more readily find the seeds of change within the politics of any given moment’.<sup>53</sup> Different coexisting institutional orders are ‘unlikely to be connected with each other in any coherent or functional way.’<sup>54</sup>

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<sup>47</sup> Alter and Meunier, 2006, , Biermann, 2008, , Busch, 2007, , Raustiala and Victor, 2004,

<sup>48</sup> Raustiala and Victor, 279

<sup>49</sup> Lieberman, 702

<sup>50</sup> Raustiala and Victor, 297

<sup>51</sup> Thelen, 386

<sup>52</sup> Skowronek, 1995, 95

<sup>53</sup> Lieberman, 702

<sup>54</sup> Ibid.

This is important in any understanding of institutional change in that ‘interactions and encounters among processes in different institutional realms’ provides the opportunities for such change.<sup>55</sup> The existence of multiple institutions with overlapping mandates allows actors to ‘seek out the forum most favourable to their interests,’<sup>56</sup> encouraging ‘venue<sup>57</sup> or forum<sup>58</sup> shopping and providing multiple opportunities for political entrepreneurs.’<sup>59</sup>

Moreover, opportunities for those dissatisfied with prevailing institutions are heightened by the nature of the rules governing individual regimes within such complexes. Political leaders, confronted with an increasingly complex institutional landscape characterised by varied and complex interests, struggle to specify precise *ex ante* rules; consequently, they resort to the formulation of ‘broad, aspirational rules,’<sup>60</sup> increasing the latitude for subsequent interpretation, and hence informal adaptation of institutions by their members.

## **Adaptation**

Conflict within and tensions between institutions create demand and momentum for change. These are necessary though not sufficient conditions for such change actually to occur, in that those pressing for such institutional change must be able to implement it within existing institutional structures.

Proponents of path dependence tend, as we have seen, to emphasise the constraints on institutional adaptation presented by the formal rules in place, notably the procedures for institutional adaptation and the rules governing such adaptation. George Tsebelis has illustrated the importance of ‘veto players,’ and argued that decision-making becomes more difficult as the number and heterogeneity of veto players increase.<sup>61</sup>

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<sup>55</sup> Thelen, 383

<sup>56</sup> Ibid.280

<sup>57</sup> Baumgartner and Jones, 1991,

<sup>58</sup> Raustiala and Victor,

<sup>59</sup> Alter and Meunier, 365, Clemens and Cook, 459

<sup>60</sup> Raustiala and Victor, 280

<sup>61</sup> Tsebelis 2002.

Formal rules are, however, only part of the story, and for two reasons. First, whilst such rules, particularly in combination with a status quo default position, are important, we must also take account of the ‘prevailing orientation of the participants’ and, particularly, the ‘decision styles’ that result from these.<sup>62</sup> Fritz Sharpf draws particular attention to ‘bargaining’ and ‘problem solving’ styles. The former implies that participants will pursue individual self-interest and reach agreement only if the expected utility of so doing is at least as high as that of non-cooperation. The latter, in contrast, is based on the idea of a common utility function and the irrelevance of individual self-interest. Institutions within which problem-solving approaches predominate will be more adaptable than those characterised by bargaining.

The combination of formal rules and bargaining style determines the potential for institutional adaptability, which varies across institutional settings. Institutions such as NATO within which member states possess varying power resources might see hegemonic leadership circumventing change resistant rules. In other cases, as we have seen, the bargaining style adopted will be related to the perceived need for change. If the perceived benefits of institutional change are high in comparison to the informational costs of overcoming interstate bargaining problems,<sup>63</sup> an institutions is more likely to be characterised by a consensual style of bargaining even if the formal rules are constraining. (Link to Pierson point about opacity).

## **Institutional Change**

Contestation and friction create a ‘climate for rule contestation’,<sup>64</sup> and institutional adaptability renders institutional change more possible than Institutionalist analyses imply.

As we have seen, much institutionalist thought conceptualises change in terms of critical junctures – rare, discreet and often dramatic moments of profound institutional change. Yet such an approach can merely serve to conceal or disguise other ways in which institutional change can occur. Such change does not simply equate to the breakdown of one equilibrium and its replacement with another.

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<sup>62</sup> Sharpf, 1988, 258-62

<sup>63</sup> Moravcsik, 1999, 301

<sup>64</sup> **Lindner and Rittberger, 452**

Useful here is the characterisation provided by Peter Hall, in his investigation of policy change. He disaggregates public policy into three elements: the ‘overarching goals that guide policy’; the ‘techniques or policy instruments used to attain those goals’ and the ‘precise settings of these instruments’.<sup>65</sup> First, second and third order changes correspond to changes in the settings of instruments, the choice of instruments and the ‘policy paradigm’ respectively. First and second order change do not necessarily lead to third order change.<sup>66</sup> Yet the their cumulative impact can lead to more profound shifts.

Bruno Palier, in his analysis of changes in French pensions policy presents a graphic illustration of the process by which small scale changes in policy instruments can lead to far more profound institutional change. First, widespread agreement emerges over the failure of existing policies and the instruments deployed in the past.<sup>67</sup> As a consequence, new instruments were ‘designed in opposition to past ways of doing things’.<sup>68</sup> Emphasis, then, on avoiding previous mistakes rather than on tackling present problems. This way of proceeding means there is a temptation to ‘seek solutions at the other extreme from the usual, and do the opposite of what has been done up to now...a search for solutions to the bankruptcies of existing public policy strategies seems to be preferred to a ‘problem solving’ view of public policies based on analysis of the problems themselves.’<sup>69</sup> One implication of this is that these solutions can be presented in vague terms, with ambiguity about their ultimate nature and purpose being key to their acceptance,<sup>70</sup> based, as they are on ‘ambiguous, even contradictory, agreement’.<sup>71</sup> The seeds of future contestation, in other words, are sown from the moment that an alternative is settled upon.

So much for the scale of change. The other aspect of changes in policy instruments is that these can as easily imply ‘off path’ as ‘on-path’ change, the former representing ‘adaptations of the existing path’ whilst latter can ‘replace the existing mechanism of

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<sup>65</sup> Hall, 1993, 278

<sup>66</sup> Ibid.279

<sup>67</sup> Palier, 2007, 88. Peters et. al. make a similar point regarding ‘perceived failures of the previous style of managing’ in their explanation of administrative reform Peters, Pierre, and King, 1292. All of which accords with Peter Hall’s notion of social learning as ‘a deliberate attempt to adjust the goals or techniques of policy in response to past experience and new information’ Hall, 278

<sup>68</sup> (Palier 2007: 88)

<sup>69</sup> Palier, 95

<sup>70</sup> Ibid.100

<sup>71</sup> Ibid.88

reproduction and introduce a new one.<sup>72</sup> Small scale, ambiguous first order changes, in other words, can cumulatively lead to larger scale off-path institutional changes.

(Need to discuss informal versus formal change as well here. (Also question of what latitude existing rules allow for participants to experiment without the need for new rules. Informal institutional change, and also potential for the exploitation of ambiguous rules.<sup>73</sup>)

The bottom line here is that cumulative incremental change can lead to large-scale change.<sup>74</sup>

## **INSTITUTIONAL CHANGE AND ESDP**

The history of the EU's defence policy is a history of almost continual institutional change, characterised by its gradual emergence over several years, and steady, incremental and frequently ambiguous reform thereafter.

Not that this is apparent from many scholarly accounts. In these, the tendency has been to portray the emergence of the European Security and Defence Policy (ESDP) as a dramatic turning point - the archetypical 'critical juncture.' Observers have dramatized the Saint Malo summit of December 1998 at which Britain and France agreed that there was a need to give the EU a defence dimension. 'Historians writing on the birth of a truly united Europe in 2020,' we are confidently assured, 'will define the Saint Malo declaration as the final stage of European integration.'<sup>75</sup> Jolyon Howorth, in his excellent survey of ESDP, was able to remark that it is now something of a 'truism' to date the 'birth of the EU as a security actor' to the 'seminal event' at Saint Malo,<sup>76</sup> where, at around 'three o'clock in the morning on Friday 4 December 1998, officials of the French and British governments slipped under the bedroom doors of Jacques Chirac and Tony

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<sup>72</sup> Lindner, 916

<sup>73</sup> Hix, 2002,

<sup>74</sup> Peters, Pierre, and King, 1287

<sup>75</sup> Mathiopoulos and Gyarmati, 1999, 76.

<sup>76</sup> Howorth, 4.

Blair, both fast asleep in the French seaside town, a document which was to revolutionize both the theory and the practice of European security and defence...'<sup>77</sup>

Yet reality is somewhat more complex than such accounts would suggest. In terms of formal treaty provisions, the development of an EU defence policy was more evolutionary than revolutionary. It was the Single European Act that first introduced – albeit weakly and indirectly – a security role for the EU. This was expanded upon in the Maastricht Treaty, which included amongst its objectives the ‘eventual framing of a common defence policy, which might in time lead to a common defence’ (Article B. Title 1, treaty on European Union). The same document included practical stipulations allowing the newly-formed European Union to request that the West European Union ‘elaborate and implement decisions on actions of the Union which have defence implications’ (Article J.4.2). At a meeting in Bonn in June 1992, the WEU Council of Ministers was quick to capitalize on its new-found dynamism and published its Petersberg declaration, outlining its willingness to undertake not only humanitarian, rescue and peace-keeping, but also combat (peace-making) missions.<sup>78</sup> The next iteration of the Union’s founding Treaty, signed at Amsterdam, saw the creation of a High Representative to serve as a figurehead for the Union’s international role, and the incorporation of these Petersberg tasks, into the treaty itself. Indicative of the piecemeal nature of developments in this policy sector are the many and varied claims put forward in the academic literature regarding the birth date of the EU’s defence policy.<sup>79</sup>

Following the summit, ESDP has continued to develop rapidly and in often unpredictable ways. In June 1999, a provisional institutional framework was created; at Helsinki the following December, the Headline Goal for ESDP military forces was established, setting force targets for the EU’s military capabilities. By June 2001, the institutions charged with running ESDP were formalised and made permanent. Eighteen months later, EU leaders proclaimed the ESDP operational, in the Laeken Declaration.

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<sup>77</sup> Ibid., 33.

<sup>78</sup> Striking the degree to which debates then prefigured more recent ones – notably proposal for WEU Secretary General simultaneously hold post of Commissioner for CFSP or Commission Vice President Bourlanges 1995.

<sup>79</sup> Thus, some date the birth of an EU defence policy to the Maastricht Treaty (Seth Jones); others see that treaty as signalling ‘the intent of the Member States of the Union to move beyond a civilian power Europe and to develop a defence dimension to the international identity of the Union,’ Whitman 1998, 135-6. Others still trace birth of EU as military actor to Amsterdam Treaty Others still trace birth of EU as military actor to Amsterdam Treaty Treacher, 2004,



Subsequently, the Union has found itself engaged in ESDP missions from Aceh in Indonesia to the Democratic Republic of Congo, several of which, most notably the peace keeping mission deployed to Bosnia (EUFOR) – have involved the deployment of significant numbers of troops (6000 in Bosnia). Perhaps most strikingly, and for all the early hopes and fears that ESDP would represent some kind of ‘militarisation’ of the European Union (not to mention the clear intention on the part of the French and British delegations at Saint Malo that ESDP would be a military undertaking), the EU has developed over time in quite a different direction. The majority of missions have been non-military in nature, with ESDP coming to specialise in what observers have taken to calling ‘soft security.’<sup>80</sup>

The crucial point here is that the development of ESDP contradicts Institutional accounts that emphasise long periods of institutional stability punctuated by rare but dramatic ‘critical junctures.’ Rather, history reveals a continual process of incremental change that has seen ESDP develop not only via a series of small scale changes, but also, rather than along a stable and settled institutionally defined path, in unpredictable directions.

## **EXPLAINING INSTITUTIONAL CHANGE**

### **Conflict**

The first driver of this continuous process of institutional change has been the persistence of conflict between the member states. As argued above, the creation of institutions does not end such conflict. From the early days of the Union’s involvement in defence matters, member states were profoundly divided amongst themselves as to the nature and purpose of the security policy instrument the EU was engaged in developing. Negotiations at Maastricht saw open divisions appearing over these issues,<sup>81</sup> and these persisted throughout the decade.

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<sup>80</sup> Howorth and Menon, 2009, , Menon,

<sup>81</sup> Menon, Forster, and Wallace, 1992,

Even at the Saint Malo summit, which saw the United Kingdom drop its traditional hostility to the notion of an EU competence over defence policy matters, the resultant declaration served merely to underline that neither side shared the preferences of the other when it came to the role of the new instrument. It juxtaposed, rather than resolving, potentially contradictory preferences for, respectively, a Union that ‘must have the capacity for autonomous action’, and one that contributed ‘to the vitality of a modernised Atlantic Alliance which is the foundation of the collective defence of its members’. At stake was the appropriate relationship of any EU security policy to NATO, with London seeing ESDP as a means of reinforcing the transatlantic alliance, whilst at least some in Paris viewed it as a means, ultimately, for its replacement.<sup>82</sup>

Above and beyond such tensions, several other member states harboured profound reservations about what some perceived as the nascent ‘militarisation’ of the EU.<sup>83</sup> The neutral member states in particular expressed serious reservations about tendencies on the part of Paris and London to equate ‘security’ with ‘defence’ (Interviews, Brussels, 1999, 2000, 2003, 2005, 2008).

Such tensions led to continual pressures on the prevailing institutional structure. The need for member states consensus overall decisions mean that trade offs were inevitable. Thus, the Scandinavian states insisted on the development of civilian ESDP as a *quid pro quo* for their acquiescence in the development of its military dimension. Continued dissensus meant that those agreements reached were, like the Saint Malo declaration, often deliberately ambiguous leaving plenty of scope for continued disagreement and contrasting interpretations of what ESDP was all about.

### Friction

A second factor accounting for the high levels of incremental institutional change was institutional density and continued friction between the various European security institutions. Europe is a uniquely institutionalised region. As Strobe Talbott put it:

No other part of the world has a web of overlapping, mutually reinforcing political, economic, and security structures comparable to the one anchored in

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<sup>82</sup> Howorth and Menon,

<sup>83</sup> For an academic statement of such fears, see Manners, 2006,

the Euro-Atlantic region. Charts for those regions would be as simple as the one for Eurasia is complex.<sup>84</sup>

Institutional density, as we have seen, provides states with the ability to select the institutional forum most appropriate to achieve their objectives. During the early 1990s, debates over European defence focussed on attempts to create ESDI – a European security and defence identity within NATO. The Berlin NATO summit of June 1996 appeared to provide for just this, with the Americans (reluctantly) agreeing that an identifiable European chain of command should be created within the Alliance, allowing European member states to carry out missions even should the US not wish to participate. It soon became clear, however, that Washington, (and the Pentagon in particular), were deliberately impeding implementation of the plans. Absent an institutional alternative, NATO's European member states could conceivably have chosen to create some kind of informal caucus within NATO. Yet an alternative venue did exist. As dissatisfaction with NATO increased as a result of experience in Bosnia and Kosovo, the European response was to undertake the creation of ESDP within the EU.<sup>85</sup>

Nevertheless, the birth and development of ESDP was profoundly shaped by NATO. Not least, ESDP decision-making structures were modelled explicitly on within NATO.<sup>86</sup> The focus on military decision making and lack of effective coordination between the military and civilian aspects of EU security policy reinforced a tendency to think of ESDP in military terms, and hence the potential overlap and competition with NATO.

Moreover, the need to reconcile two potentially conflicting institutions led to the proliferation of vague agreements specifying the relationship between them. Thus despite the existence of formal arrangements in the shape of the Berlin Plus agreements, these were so vague as to allow for differing interpretations by different member states. Ankara believes that all NATO-EU cooperative endeavours should be governed by the NATO-EU Framework under Berlin Plus. While the EU refuses to engage in such a framework if all its Member States are not involved on an equal footing.<sup>87</sup>

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<sup>84</sup> Talbott, 2002, 52

<sup>85</sup> for the story of the origins of ESDP, see Howorth.

<sup>86</sup> Hoffmann 2007.

<sup>87</sup> Williams and Cameron, 2008, 5

## Adaptation

Perhaps the most striking aspect of European security institutions since the end of the Cold War has been the almost perpetual process of adaptation they have undertaken. This despite formal decision rules stating the need for consensus between all their member states in order that decisions be taken.<sup>88</sup>

Central to the adaptability of institutions is, as we have seen, both the nature of the trade off between transaction costs involved in agreeing to new rules and the perceived demand for such rules and the degree of latitude that exists within existing rules for participants to experiment without the need for new rules.

The demand for new rules allowing for an EU role in security affairs was both clear and massive as the Europeans proved unable to deal with the conflict in the former Yugoslavia. Moreover, partly as a consequence of events in the Balkans, the British government had come to question the reliability of the United States when it came to dealing with security challenges in Europe's 'near abroad.'<sup>89</sup> Consequently, reliance on existing instruments – a European Union bereft of military capabilities or NATO alone - appeared as increasingly infeasible strategies. The search for alternative instruments to replace those discredited by past failure led the member states to seize upon ESDP as an obvious, highly visible, and reassuringly novel solution (albeit one rooted in necessary ambiguity,).

Policy failure was, on other words, in no way opaque or ambiguous in the case of European defence., leading to a clear calling into question of previous policies. Whilst bitter arguments have characterised almost every stage of the two processes, rapid adaptation testifies to the 'problem solving' style that has characterised them.

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<sup>88</sup> Indeed, the unanimity requirement in the EU is more stringent than that in place in the Security Council. Russian abstention allowed for the Korean intervention. In contrast, when de Gaulle withdrew French representatives from the EEC Council of Ministers in 1965, the system ground to a halt as an abstention counted as a negative vote.

<sup>89</sup> Howorth 2000, 22-30, Whitman 1999.

## Provisional Conclusions

1. Change and Chinese whispers. Continual small scale change leading to large and off path change. ‘how large is a change before it ceases to be incremental?’<sup>90</sup>
2. findings may not be generalisable to other geographical and functional areas?
3. Security and institutions: Point may be that security institutions, in contradistinction to claims in the literature, more likely to be characterised by problem solving decision style. This is because of stakes – threat to security and even existence. So nature of ‘high politics’ means that institutional creation and change is, paradoxically, easy. One problem with much of the literature is seems to draw - if only implicitly – on model of US. For the US it may not make sense to entrust security to institutions and get tied up, but that doesn’t apply to smaller powers.
4. Can’t separate neatly between institutional creation and change and institutional effects. Former shape later and vice versa in continual feedback processes. Constant potentially off path incremental change will alter institutional effects. Ironically, may make it hard to detect and account for failure because lack of stability allowing for time to assess functioning of an institutional system.
5. This approach therefore strengthens Institutionalist claim about unpredictability of outcomes. Even highly predictable incremental change might lead to development of instabilities Clemens and Cook 1999: 449 use example of transition of faculty-graduate student relationship into one between colleagues. Criticizing institutionalism does not imply a return to functionalist argument. Indeed, notion that institutions change over time further undermines functionalist claims.<sup>91</sup>

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<sup>90</sup> Peters, Pierre, and King, 1287

<sup>91</sup> Pierson, 476

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